

Message Text

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ACTION AF-06

INFO OCT-01 ISO-00 L-03 SSO-00 NSCE-00 INRE-00 USIE-00

NSC-05 CIAE-00 INR-07 NSAE-00 PA-01 PRS-01 SP-02 EB-07

TRSE-00 AID-05 COME-00 SCS-03 STR-04 CIEP-01 OMB-01

/047 W

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O 241047Z SEP 75

FM AMEMBASSY DAR ES SALAAM

TO SECSTATE WASHDC IMMEDIATE 9606

C O N F I D E N T I A L DAR ES SALAAM 4421

E.O.11652: GDS

TAGS: EINV, PFOR, TZ

SUBJECT: CLAIMS FOR NATIONALIZED PROPERTY

REF: STATE 224459

1. IN ACCORD WITH INSTRUCTION CONTAINED REFTTEL, DCM, AID DIRECTOR AND ECONOFF SEPTEMBER 23 MADE DEMARCHE UPON FONOFF EUROPE AND AMERICAS DIVISION DIRECTOR MUGANDA IN COURSE OF WHICH THIRD PERSON NOTE CONTAINING LANGUAGE OF PARA 4 (A) AND (B) WAS HANDED OVER.

2. DCM BEGAN BY REVIEWING FOR MUGANDA BACKGROUND OF CLAIMS FOR COMPENSATION BY AMERICAN CITIZENS GOING BACK THREE YEARS FOR

PROPERTIES NATIONALIZED BY TANGOV. MUGANDA SAID HE AWARE OF PAST CONVERSATIONS BETWEEN TANGOV OFFICIALS, AMBASSADOR AND EMBOFFS ON THIS SUBJECT.

3. DCM RECALLED THAT IN APRIL OF THIS YEAR WHEN EMBASSY HAD INFORMED FONOFF OF PRESIDENTIAL DECISION TO EXTEND GENERALIZED SPECIAL PREFERENCES TO TANZANIA WE STATED THIS WAS ON BASIS OF PRESIDENTIAL DETERMINATION THAT TANGOV WAS ACTING IN GOOD FAITH TO NEGOTIATE COMPENSATION FOR AMCIT CLAIMS. PURPOSE OF
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APPROACH TODAY WAS TO ENCOURAGE PROMPT RESOLUTION AND ELICIT

LATEST EVIDENCE OF MOVEMENT IN THIS DIRECTION. THIS EVIDENCE WAS TO BE PROVIDED SEPT. 25. MEETING IN WASHINGTON WHICH WAS REVIEWING PROGRESS TOWARD SETTLEMENT OF COMPENSATION CLAIMS IN ALL COUNTRIES -- NOT JUST TANZANIA -- PRIOR TO IMPLEMENTATION OF GSP JANUARY 1, 1976. DCM SAID WE WERE SEEKING INFORMATION, NOT PRESSING FOR SETTLEMENT, PRIOR TO SEPTEMBER 25. AID DIRECTOR WAS PRESENT SINCE HE WOULD BE TAKING UP SAME SUBJECT WITH HIS USUAL CONTACT IN TANGOV, FINANCIAL MINISTER MSUYA (NOW ABROAD) WHOSE MINISTRY HAD PREVIOUSLY BEEN APPROACHED ON COMPENSATION MATTERS.

4. MUGANDA RESPONDED THAT WHILE FONOFF ROLE WAS REALLY ONE OF "POST OFFICE" TO OTHER PARTS OF TANGOV CONCERNED, HE GENERALLY FAMILIAR WITH PROBLEM AND PROMISED CONVEY NOTE AND ITS SIGNIFICANCE TO APPROPRIATE AUTHORITIES. HE STATED THAT TANGOV POLICY WAS NOT TO TAKE PROPERTY WITHOUT PAYMENT AND STRESSED THAT PROCESSES OF ASSESSMENT AND NEGOTIATION TAKE TIME. MUGANDA VOLUNTEERED THAT LACK OF ANY COMPENSATION TO AMCITS WHILE OTHER NATION'S CLAIMS HAVE BEEN SETTLED HAS APPEARANCE OF "DISCRIMINATION". MUGANDA OFFERED "PERSONAL OPINION" THAT US APPROACH WOULD NOT PRODUCE ANY IMMEDIATE ACTION BECAUSE SENIOR GOVT. OFFICIALS, INCLUDING

FINANCE AND FOREIGN MINISTER WERE POSTPONING SIGNIFICANT DECISIONS UNTIL AFTER ELECTIONS (END OF OCTOBER) AND NEW CABINET FORMED. MUGANDA SAID THAT NEVERTHELESS HE WOULD TRY TO GET INFORMATION AS TO WHERE MATTERS STOOD IN REGARD TO HANDLING OF U.S. CLAIMS. DCM STATED HIS APPRECIATION FOR MUGANDA'S WILLINGNESS TO TRY AND PURSUE THIS MATTER AT INOPPORTUNE TIME AND EXPRESSED PERSONAL REGRET AT SHORT NOTICE PROVIDED OF NEED FOR INFO.

5. DCM CONCLUDED BY SUMMING UP THAT APPROACH TODAY WAS MANIFESTATION OF USG CONFIDENCE IN TANGOV GOOD FAITH TO MOVE TOWARD SATISFACTORY RESOLUTION OF THESE LONGSTANDING CLAIMS BY ASKING FOR DESCRIPTION OF PROGRESS AS REQUIRED IN TRADE ACT PROVISIONS FOR GSP. DRAWING ON REFTTEL PARA 4 C, DCM SAID THIS SHOULD NOT BE CONFUSED WITH THREATS OF BILATERAL AID CUTOFF OR OTHER NEGATIVE ACTIONS PROVIDED FOR IN OTHER U.S. LAWS. IN ORDER TO MAKE THIS DISTINCTION CLEAR MUGANDA WAS HANDED TEXTS OF RELEVANT SECTIONS OF TRADE ACT, HICHENLOOPER AND GONZA-
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LEZ (AS RECEIVED FROM DEPARTMENT BY POUCH). MUGANDA RESPONDED THAT HE UNDERSTOOD THE DISTINCTION.

6. COMMENT: WE ACCEPT AT FACE VALUE MUGANDA'S DESCRIPTION OF NEXT TWO MONTHS AS NOT PERIOD DURING WHICH TO EXPECT MINISTERS TO TAKE "CONTROVERSIAL" DECISIONS. HOWEVER, WE WILL CONTINUE TO TAKE ADVANTAGE OF OPPORTUNITIES TO ENCOURAGE TANGOV TOWARD TIMELY RESOLUTION OF AMCIT CLAIMS AND DESIRABILITY OF FURNISHING US WITH

EVIDENCE OF PROGRESS.

7. STATE 226256 RECEIVED SEPT. 24 AFTER CONVERSATION REPORTED ABOVE.

CARTER

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